LOBBYISTS, PRIVATE INTERESTS AND THE 1985 FARM BILL

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Although lobbying has long been an integral part of the policy process, it remains difficult to inventory and explain the influence of private interests in setting agricultural policy. There are two reasons. Lobbyists seldom choose to work in exclusively public forums where they leave a paper trail. So comprehensiveness remains an elusive goal in analyzing who did what. Also, many other political, economic and environmental factors exist that affect the decisions of policymakers. Because of the potentially cumulative effect of these factors, it often must remain unclear—even to those who are being influenced—exactly who responded to whom or what in any causal fashion.

In spite of these difficulties, it remains important to understand as much as possible about the private interests that help shape agricultural policy. Without such understanding, there can never be a realistic awareness as to why programs and provisions are established, eliminated, modified or left untouched. The Food Security Act of 1985 is an important case in point. Prior to congressional deliberations on that farm bill, agricultural economists were in near agreement about the need for major reform. Most farm and food organizations also were opposed to extending the basic features of the 1981 farm legislation. Depressed farm conditions, huge production surpluses and major declines in commodity exports were attributed, at least in part, to national agricultural policy. Many called for a major restructuring through the omnibus legislation of 1985.

A great many economists, as well as other agricultural specialists, were disappointed with the eventual outcome of that bill. There are a few new provisions, some major redirections and many reaffirmations of past policy practice. For both the changes and restatements there were private sector advocates who very openly played prominent roles in determining legislative outcomes. These advocates represented a complex agricultural lobby, one beset by contradictions and conflicts. The final bill was diverse in purpose and fragmented in structure because policymakers were presented with drastically varying interpretations of the needs of American agriculture. In responding to mixed signals, Congress tried to please everyone a little in hopes of at least passing—and, later in 1986, repassing—a bill.

Academics and Agrarians

The patterns of influence that were directed toward 1985 debates originated many months prior to formal congressional deliberations. Since policymakers value factual information about policy needs and conditions as means for reducing the uncertainty of risky decisions, it behooves no one to enter the political process unprepared. Lobbyists have little else to trade but their interpretations of reality. Because of widespread perceptions regarding agriculture's critical status and beliefs about the appropriateness of dramatic policy changes, those who wanted to become players in farm bill politics began to marshal their potential resources early. For two sets of private interests which are not part of the Washington lobby, this meant that preparatory discussions started in 1983 and produced high levels of activity throughout 1984.

The most detailed and analytical responses to the pending legislation came from individuals and institutions that are often overlooked as private interests. Lumped together, they can best be described as academically oriented agricultural experts. What was unusual about this loosely knit collection of professors, foundation representatives, governmentally attached agricultural analysts and private consultants was the degree to which they were mobilized in opposition to the nonmarket orientation of existing farm policy. While there was little or no agreement on the specifics of reform, there was a strong and important consensus on the need for reducing farm program costs and moving to an internationally competitive U.S. agriculture. Even former champions of price support programs such as Willard Cochrane came forward and questioned their continued usefulness.

In addition to their common conviction that present policy operated to the severe detriment of American agriculture, other nonagricultural factors motivated the experts' policy involvement. Economic and trade conditions, as well as the "Reagan climate," made it appear as if farm policy was in for a major overhaul. As a result, the time was politically right for academics to engage in entrepreneurship; for consultants to advertise their talents and services to firms and associations who might employ them; for foundations and universities to demonstrate their policy relevance as consequential public forums; and for financially supportive agribusiness and commerical firms to demonstrate their commitment to better informed public policymaking.

For the most part, these players neither intended to be nor considered themselves part of a lobbying effort. Nonetheless, the experts wanted to influence farm legislation. Also, the individual players were participating under the auspices of institutions that felt a need to secure and continue to occupy credible positions in the policy process. The Farm Foundation, for example, has long been considered to be one of the facilitating forces "behind farm policy." Foremost among newer activists were the National Center for Food and Agricultural Policy of Resources for the Future and the Monsanto Company. While the emerging National Center sought to establish its reputation in developing agricultural leaders and providing reputable policy analysis, firms such as Monsanto with its Outreach conferences were introducing both themselves and other policy participants to potentially larger roles in future agricultural policymaking. It was this philosophical consensus over policy directions combined with personal enthusiasm for influencing policy and an institutional capacity to visibly promote their general agreement that, despite the self-identification of the activists, gave these participants a common private interest and the resulting force and momentum of a lobby.

How did this loosely knit group lobby in preparing for the 1985 Food Security Act? With a few individual exceptions, this collection of players did not work congressional offices, draft legislative proposals, activate constituents or detail political strategies for passing related bills. Instead, the information needs of policymaking were addressed through well-funded, nationally organized conferences and the publication of relevant research and associated proposals. From May, 1984, through January, 1985, such well advertised conferences were held at the rate of nearly one per month. In between these meetings, participants gathered to discuss policy issues at numerous other conferences sponsored by the Agricultural Extension Service, associations of agricultural economists, and several state governments. All of this provided the experts with the opportunity to forcefully articulate the dilemmas of agriculture regarding production and trade problems, define policy solutions in terms of free market values, and, for at least the time being, dominate the only platform upon which agricultural and food questions were being argued within policymaking circles.

If academics provided the policy messages of 1984 and early 1985, a decidedly different communique was being prepared for Congress and the public in rural states and districts well beyond Washington's Beltway. Agrarian protestors planned to deliver this message very forcefully back home in legislative districts, directly through constituents who promised to vote and with the help of a curious media. Farm protest groups were active in 1983 and throughout 1984, organizing local residents and preparing their demands for 1985 legislation. As these activists saw things, the government could worry about exports and trade problems all it wanted as long as immediate steps were taken to enhance farm income and reduce problems associated with rising farm debt. Never mind that there might be considerable conflict in those policy objectives.

The protest activity of 1984 grew out of the grassroots remnants of the American Agriculture Movement (AAM). Unlike 1978–79, however, the center of protest had shifted north and east from Colorado, Kansas, Oklahoma and Texas to Iowa, Minnesota, Missouri, Nebraska and Wisconsin. While the organizers still emphasized direct protest and sought extensive media coverage to enhance public awareness, there was none of the strong centralized farm leadership that had been present earlier. Farmers were establishing smaller, autonomous, and more state and locally involved, organizations. Farm activists were being joined by rural sympathizers, especially from the clergy and the ranks of single-issue groups concerned with environmental quality, social conditions and world peace. Besides simply seeking legislative solutions to what these activists were successfully popularizing as "the farm crisis," organizational efforts also were directed toward halting foreclosures and counseling farm families about business and personal problems. This strategy broadened the agrarian protestors' base of support and, eventually, won them considerable financial assistance from church organizations. According to some activists, the National Council of Churches and other religious groups provided as much as 70 percent of the organizing funds used in some Midwest states.

While the academics were hoping that the force of their analytical work would keep their views in the political mainstream in 1985, the agrarian protesters upstaged them with old-fashioned pressure politics as farm conditions worsened throughout the spring. The consequences were evident by mid-year. As foreclosures and rural business closings increased, several farm suicides attracted national attention. Pointing to these results, many farm state legislators became committed to policy approaches articulated by protest organizers. For example, Senator Tom Harkin (D-IA) and other Midwestern legislators became advocates for the Farm Policy Reform Act and, later, the referendum for mandatory supply controls as it was advanced by Iowa Farm Unity Coalition, Minnesota Groundswell, Nebraska Farm Crisis Committee and Wisconsin Farm Unity Alliance. Other farm state legislators found it personally unpalatable but politically impossible to do anything but insist on high levels of direct financial support for their producers. One uncomfortable congressman complained that, even when he spoke of supportive legislation, constituent reactions and pressures made it "feel like a foreign country back home." By the end of the summer of 1985, at least isolated farm protests had been staged in nearly two-thirds of the states and directly exposed large numbers of legislators to *the* farm problem. The remainder could not miss it on TV network news.

General Farm Organizations

Professors and protesters were preparing for the farm bill long before many Washington-based farm and food lobbyists had much time to make plans. Other legislation and administrative rulings preempted most of the attention of the lobbyists. The American Farm Bureau Federation (AFBF) could not afford to delay its preparation, however. AFBF officials and staff felt their organization to be troubled by several things. First, the more intensively directed commodity organizations were being increasingly viewed as more capable of affecting major legislation than Farm Bureau. Second, the farm protest groups were populated by large numbers of Farm Bureau members. The lack of common goals between the protestors and AFBF created membership difficulties for AFBF. Third, most probably as a result of the above problems, there had been increasing conflicts between the state farm bureaus as well as between the states and the national organization. The Alabama Farm Bureau operated independently, and a few other states often lobbied for their own policy preferences. None of this enhanced the image or the influence of the nation's largest farm organization.

In a rather bold attempt to restore member loyalty and regain some measure of policy leadership, some Farm Bureau leaders held a series of meetings with several commodity organizations that insisted on supporting high levels of price supports. The intent was to find common ground for a mutually acceptable farm bill proposal. Agreement was rather tenuously set. The principal exception was dairy. That agreement, however, was a modest victory for Farm Bureau. Attendant discussions between groups produced little or no willingness to experiment with income maintenance programs that might be alternatives to deficiency payments and loan guarantees. As a consequence, the longtime leader of the free market philosophy in agriculture lost any opportunity to firmly stand in line with either the academic critics or the Reagan administration. Still, the organization could more credibly demonstrate some important support for the economic plight of many of its members.

Farm Bureau did not emerge as a policy leader, however. Little agreement was reached on other provisions of the farm bill beyond some basic price support levels. In addition, the Farm Bureau proposal that was eventually drafted encountered difficulty in finding a sponsor and, when it was introduced, was largely lost in the array of bills introduced in Congress.

The other general farm organizations fared little better. The National Farmers Union (NFU) and National Farmers Organization (NFO) found themselves to be the main defenders of the income maintenance remnants of New Deal farm policy by mid-1984. NFO lobbyist Chuck Frazier made a special point of attending and addressing some of the academic reform conferences. Cy Carpenter, president of the Farmers Union, was embroiled in conflict over the role NFU could play with the farm crisis organizations and other grassroots activists. The staff of both organizations worked, often together, to formulate policy responses throughout what was increasingly becoming a period of real controversy. Their reactions were motivated by a fearful scenario. At the worst, the mandatory production control views of what was emerging as an agrarian protest coalition could become the sole liberal alternative. The alternative would in turn be identified as an extremist approach, lose and then open the door to a dismantling of traditional supports. In the process, NFU and NFO would forfeit their credibility and status as the leading mouthpieces for liberal agricultural policy.

NFU was in a particularly difficult situation because 1985 brought considerable pressure from old liberal allies and legislative supporters who were the protesters' newfound friends. To avoid conflict and still lower potential losses, Farmers Union announced its support for mandatory supply controls and spoke on behalf of those amendments and bills that contained the appropriate provisions. At the same time, it became an open secret to policymakers and lobbyists who opposed controls that NFU and NFO strongly preferred modifications in existing programs for which they also lobbied.

These two groups were not alone in their difficult middle ground. As the farm bill process continued, the organizational leadership of the AAM (as opposed to the factionalized grassroots splinters of AAM) would come to have similar conflicts between policy beliefs and demands. Although the Bedell, Alexander, Harkin and Zorinski production cutback proposals were popularly identified as AAM provisions, there was frequent mention made that group leaders considered mandatory controls as only the best of many bad bills. Despite AAM offices serving as Washington headquarters and primary information source to the fragmented coalition of protest organizations, many of its leading activists could not fully accept a bill that was the handiwork of Texas Agriculture Commissioner Jim Hightower and four state crisis committees rather than the national movement.

It was this kind of organizational behavior that led Congress to conclude that the forthcoming farm bill would be one of incremental changes. Its members could hardly deny the impact of the well-publicized farm crisis. There were worthwhile economic plans from the academy but absolutely no information coming from them on precisely how to translate their free market approach to the political agenda. Lobbyists brought forth competing proposals without effective challenge by pointing to the self-imposed political isolation of the academics.

The Reagan administration, using free market arguments, spoke of its forthcoming proposals with budget and program cuts so extensive they were denounced as ludicrous by legislators about to face the

1986 elections. The administration's major farm group ally offered a bill that looked to many as if it were drafted by NFU rather than AFBF. Other farm groups that were interested in and legitimately able to offer a comprehensive proposal were having trouble agreeing, had little commitment to the major changes that they put forward, and seemed to dislike the most vocal of the activists whom they represented. On the whole, Congress was not getting much usable information or any consensual coalition support from private interests by the time hearings on the legislation began.

Commodity Groups

Specific proposals and supportive data were plentiful, but they would not be of help in fostering the kind of reform that was so often mentioned in 1983 and 1984. The commodity organizations entered 1985 without the elaborate preparation of many of the other private interests but with plenty of forethought as to selective aspects of farm policy needs. Most of the Washington-based commodity lobbies had been watching the mixed signals of 1984 with considerable attention. A great amount of internal organizational effort was being directed by their staffs toward reaching intragroup agreement on those major farm bill provisions that would directly affect single commodities.

To some extent, these groups paid attention to the whole of agricultural policy. Some, such as the National Cattlemen's Association and National Broiler Council, did so more than others. Both were philosophically attracted to the free trade issue in the expressed hope of export expansion. On a more practical basis, nonmarket commodity assistance programs had brought dairy cattle to slaughter houses in some competition with beef cattle and had brought higher prices for feed grains for chickens. Also, on a practical note, these "free traders" expressly limited their enthusiasm to only those circumstances in which foreign beef and chicken imports were not a problem.

However, most of the major commodity representatives were interested primarily in price policy and only as it affected their producers. While organizations such as the National Association of Wheat Growers proposed experimenting with market loans, other groups felt such concepts too difficult to explain. Policymakers were currently in an environment in which so many alternative proposals were being introduced that confusion might possibly kill the entire farm bill. Rather than risk that, those groups whose members received commodity benefits considered three factors: how to maximize deficiency payments and keep members happy as well as financially afloat; how to bring commodity prices down in order to enhance exports; and how to discourage budget deficit-producing and price destabilizing surpluses. As commodity officials grappled with these concerns, alternatives to present price programs became harder to handle and propose because the objectives poignantly conflicted with one another.

Since each commodity program varied in procedures, language and operation, each commodity group used its specialized knowledge to propose and negotiate modifications of its own provisions. Other commodities were left alone unless it was possible to propose ways of diverting one commodity's program benefits to another. Some coalitions were formed, such as between wheat and corn or sugar and dairy, but the focus of these agreements was always on specific commodity provisions.

Other commodity issues were injected into the farm bill debates whenever the producer groups could do so. The National Pork Producers wanted a hog check-off as their priority in the bill. Soon the Cattlemen's Association wanted one for beef. The American Soybean Association, traditionally a group opposed to farm programs, wanted one-year crop payments for bean producers in return for lower loan rates—the FAIR program. Sunflower producers gained direct payments in the Senate. Despite legislative agreements at the onset of 1985 to avoid farm bill mention of market orders, important order provisions were worked into the bill by those representing milk and fruit interests. Several of the bill's final trade provisions contained commodity specific benefits as well.

Throughout the farm bill process, the commodity groups demonstrated a considerable ability to influence individual provisions and a near total incapacity as agents for policy change. Loan rates were lowered in the bill. Export assistance was enhanced. But the greatest contribution of the commodity lobby was in holding the line on major provisions of a bill that none of them were in favor of several months earlier—income assistance.

Industrial and Agribusiness Reformers

Early in the process, feelings ran high that the 1985 Food Security Act would be the first farm bill to strongly reflect the views of business rather than farmers. There was so much dissatisfaction with present policy. Agricultural experts rarely were so united around ideas that fit so nicely with basic business values as they were prior to 1985. Moreover, agribusiness and industrial leaders frequently spoke of the need to more effectively influence agricultural policy. There seemed to be new awareness of how directly business profits could be influenced by government programs.

Diversion programs, especially since the consciousness raising effects of Payment in Kind (PIK), were under attack from farm input suppliers. Sugar and dairy programs served to mobilize user coalitions to reduce politically inflated prices. Peanut and honey programs were similarly targeted for elimination. Traders and shippers wanted reductions in programs that kept domestic prices high and inhibited exports. It appeared the agribusiness community believed that any farm policy that interfered with market conditions was bad for business.

While that belief may have been widely held, it was not easily translated into action. There were several reasons. Lobbying uses both money and time that might better go to other enterprises. For the farm bill, with its entrenched producer clientele and its structural features centered around commodity provisions and commodity subdivisions in Congress, the costs will always be especially great. The returns on those costs must be problematic. Victory can hardly be assured in advance. Even in victory there can be no specific guarantees as to financial savings and profits. Compromises, bargaining and negotiations make predictions on outcomes difficult. All this, along with the healthy distrust that many business executives feel toward the political process, caused many agribusiness firms and trade associations to proceed slowly even after they had been vocal about their interest in farm legislation. In short, agribusiness collectively did not end up putting its lobbying money where its mouth had been.

The political dynamics surrounding the farm bill impacted on the plans of business and industry as well. There was the unwillingness of those producer organizations whose leaders had earlier spoken so disparagingly of farm policy to promote substantive reform. This removed much of the coalition base that was felt necessary for agribusiness to affect change. In the event of open controversy, the farm bill potentially allied farm groups against business groups. Since farmers were customers, this posed a serious marketing threat the results of which seemed more predictable and more costly than gains from a reformed farm bill.

The springtime publicity of the farm crisis chilled most of what remained of industry's ardor for open political conflict. The time appeared very wrong. Legislators would be unresponsive. Business would be portrayed as kicking farmers when they were down. In a sense, the first farmer suicides meant the last public words on business profitability.

That did not mean that business was ineffective, disinterested and not a part of the 1985 Food Security Act process. Organizations like the International Association of Ice Cream Manufacturers, the Food Marketing Institute and even the small National Independent Dairy-Food Association kept after dairy, sugar and peanut programs even during conference proceedings. Such user firms as Pizza Hut and Mars had their representatives active as well. The Fertilizer Institute lobbied hard throughout the process. In a less obvious manner, the Grocery Manufacturers of America kept affirming its desire for a free market bill.

The commitment of these groups added to the momentum in support of lower loan rates. They were equally instrumental, along with several other agribusiness organizations, in defeating key votes on mandatory production controls. But, from a free market perspective, those were the only victories that agribusiness saw in 1985; and both were gained with most of the Washington-based farm groups in at least tacit agreement.

In retrospect, none of this should be surprising. Several myths accompanied the belief that industry and business leadership could reshape the 1985 Food Security Act. When but a few of these fallacies became evident, the strategies of business-inspired change proved faulty.

Among the most important were the twin myths of business unity and shared self-interest. Many very active organizations were far from free traders. Archer-Daniels-Midland, for example, saw the high levels of supports in the sugar program as advantageous to its high fructose sweeteners. That firm and its consultants were very instrumental in gaining support from a few business lobbies while causing still others to remain silent on the issue. Their efforts did much to neutralize the impact of the sugar-users coalition and, indirectly, the largely overlapping opponents of dairy programs. Some firms even argued to move further away from unrestrained trade. For instance, ConAgra offered a plan for export subsidies.

Even more business unity gave way to the enthusiasm of both firms and trade associations for single provisions of unique interest. Grain traders spent more time on grain quality than grain pricing. Food processors saw clear producer title to commodities as the priority need. The American Bakers Association wanted and got a wheat reserve. The open-ended structure of the farm bill gave business representatives, just as it did the commodity groups, the nearly unrestrained ability to pursue amendments of very narrow and limited interest. As a result, some potential free traders had their lobbying resources tied up elsewhere.

Instead of finding a collectively well-financed and skilled lobby in the agribusiness community, coalition leaders encountered more a myth than an actuality of power. Even the best financed staffs had to limit their time and attention to selected priorities. In other instances, large firms and industries were found to have staffs that were even more severely limited by small size, low pay, restricted budgets and inexperience. Coalition meetings were plagued by participant inattention, a lack of follow-through on assignments and leaks about strategy and tactics.

The most damaging myth, however, was the mistaken belief that the 1985 Food Security Act was open to everyone's participation. In theory, anyone can get the ear of Congress. In practice, they cannot.

Agribusiness encountered the widespread congressional opinion that this was a farmer's bill and that producer groups held the greatest legitimacy. This opinion solidified after the farm crisis came to the forefront; but it was decades old. This situation held important consequences. Equally well-prepared information did not hold equal weight. Access to policymakers was often a problem. It also led to the need for agribusiness representatives to seek out even small producer groups to use as coalition partners on major provisions. They employed consultants with long-standing agricultural policy ties for similar reasons. Without such alliances, agribusiness may have had a voice in farm bill proceedings but it would have been seldom heard.

A Brief Assessment

The events of 1985 produced a peculiarly interesting Food Security Act. As the legislation was being finalized in the last days of the year, a curious reaction formed among those in the private sector who had most actively attempted to influence its content. Protesters, longtime farm lobbyists and business representatives alike could be found who praised the outcome. This in spite of how much the new act looked like that thoroughly maligned 1981 Agriculture and Food Act, and despite the fact that most participants knew that early 1986 would see considerable modifications to the 1985 act. This reaction, in part, was a response to the end of a long and tedious process that often appeared unlikely to produce any bill at all.

In larger part, however, the participants' reaction was to an agreement that allowed nearly every major player—not all of whom have been mentioned here—to win something of consequence. No matter how diverse the interest, some important provision or perception of philosophical change provided satisfaction. Amid the internal politics of Congress and the conflict between executive and legislative, the well fought campaigns of most private interests had something to show as the effort concluded. Select provisions of narrow interest are the most obvious.

The major provisions, however, are the most logical outcomes of a farm bill that was negotiated in an exceedingly complex environment. It was not an environment in which a single rational perspective or paradigm could dominate discussions. Instead, different perspectives on what were the most critical conditions to address in the bill undermined each other to produce a rather schizophrenic-looking act that could be maintained only through massive expenditures.

The lower loan rates are the feature of the bill most frequently pointed to as a departure in agricultural policy. It gave the Secretary of Agriculture the opportunity to make historically deep cuts in hopes of eventually lowering prices and enhancing foreign trade. Without the conviction of the academics and the noise made largely by agribusiness in operationalizing these ideas, separating loan rates from deficiency payments would have been difficult.

As it was, producer groups were able to rally their income maintenance demands around the commodity provisions that have for many years provided political advantages to the commodity organizations. Even though each commodity took reductions, the final provisions should have kept producer members happy since these projected to increasingly higher levels of payments in the immediate future. It seems unlikely that this could have come about without the back home pressures and publicity seeking of the agrarian protesters. These groups effectively moved much of the focus of farm politics beyond Washington, something that the traditional farm groups neither could nor wanted to do. The protesters were unable to accomplish much more because they lacked a comparable Washington presence, however. Without more interaction with policy insiders, there was no means for developing alternatives and effectively negotiating compromises with the same credibility and expertise of the commodity organizations.

The bill's other significant changes also resulted from interest involvement. But these were more the product of give and take strategy discussions over how to pass a bill than specific policy demands. The trade provisions were constructed with varying degrees of input and general support from most players.

Conservation measures were agreed upon at an early stage for three reasons. Sodbuster, swampbuster, diversion and compliance provisions won supporters from outside the agricultural community and helped silence some likely critics. Second, these provisions were portrayed as cost-cutting mechanisms that also dealt with the problems of surplus. Third, they cut costs while being compatible with existing commodity provisions. It was difficult to find alternatives for generating support and reducing costs that had this advantage.

While these types of provisions balanced the Food Security Act nicely to aid in its eventual passage, their inclusion demonstrated another aspect of interest group politics. That is, private interests often play as partners in completing the puzzle. They need not always be seen as parts of the puzzle, confusing the process through competing demands.